



**STANDARD OIL COMPANY
OF CALIFORNIA**
1957 ANNUAL REPORT





34
33
32
31
30
29
28
27
26
25
24
23
22
21
20
19
18
17

CONTENTS

Results in Brief	2	Financial Statements	23
Letter to Stockholders	3	Ten Years of Financial and	
Review of Operations		Operating Statistics	28
Western Hemisphere °	7	Maps and Subsidiaries	
Eastern Hemisphere	20	and Affiliates	30

Front Cover: Research Chemist begins a distillation experiment at the Richmond Laboratories of California Research Corporation.

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STANDARD OIL COMPANY OF CALIFORNIA

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T. S. PETERSEN *President, Director*
HILLYER BROWN *Vice-President, Director*
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W. K. MINOR *Comptroller*

THE UNIVERSITY OF ILLINOIS

APR 1 1955

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RESULTS IN BRIEF

	1957	1956
<i>Gross Income</i>	\$1,740,004,913	\$1,567,348,030
<i>Net Income</i> — <i>Western Hemisphere</i>	\$ 195,559,648	\$ 163,822,013
<i>Eastern Hemisphere</i>	92,670,743	104,068,788
<i>Total</i>	\$ 288,230,391	\$ 267,890,801
<i>Net Income Per Share</i> (63,224,386 shares)	\$4.56	\$4.24
<i>Equity</i> (not included above) in earnings retained by <i>Eastern Hemisphere Affiliates</i>	\$ 46,430,774	\$ 10,140,432
<i>Cash Dividends</i>	\$ 120,121,947	\$ 104,320,237
<i>Capital and Exploratory Expenditures</i>	\$ 410,678,879	\$ 361,099,996
<i>Total Assets</i>	\$2,246,296,098	\$2,041,373,083
<i>Liabilities</i>	387,395,869	350,581,298
<i>Stockholders' Equity</i>	\$1,858,900,229	\$1,690,791,785
<i>Additional Equity in Eastern Hemisphere Affiliates</i>	462,571,099	415,900,524
<i>Combined Equity — at book value</i>	\$2,321,471,328	\$2,106,692,309

Production — Refining — Sales:

Barrels Daily

<i>Gross Production of Crude Oil and Natural Gas Liquids</i>		
<i>Western Hemisphere</i>	455,045	415,336
<i>Interest in Eastern Hemisphere</i>	436,031	393,158
<i>Total World-Wide</i>	891,076	808,494
 <i>Refinery Runs of Crude Oil</i>		
<i>Western Hemisphere</i>	518,580	504,167
<i>Interest in Eastern Hemisphere</i>	265,383	248,995
<i>Total World-Wide</i>	783,963	753,162
 <i>Sales of Petroleum Products</i>		
<i>Western Hemisphere</i>	501,331	511,893
<i>Interest in Eastern Hemisphere</i>	250,569	243,158
<i>Total World-Wide</i>	751,900	755,051

ANNUAL REPORT TO STOCKHOLDERS 1957

It is gratifying to the Board of Directors to present this report on the operations of Standard Oil Company of California to the 148,315 stockholders.

Net income for 1957 was \$288,230,391, or \$4.56 a share, as compared with a 1956 net of \$267,890,801, or \$4.24 a share.

A dividend of 50 cents a share was paid in each of the last two quarters of 1957, or at the rate of \$2.00 a share on an annual basis. For the previous four quarters, the dividend was 45 cents a share, or \$1.80 annually.

The dividend payments to stockholders for 1957 amounted to \$120,121,947, as compared with \$104,320,237 paid the previous year.

While net earnings were higher, expenditures for capital and exploratory purposes also reached a peak. They amounted to \$411,000,000, an increase of \$50,000,000 over 1956. This large program, requiring substantial reinvestment of earnings, is designed to broaden the Company's scope of operations, both to assure financial security and to build for the future.

Capital and exploratory expenditures, investments in affiliates, added working capital requirements, and dividends to stockholders called for \$76,000,000 more than the cash generated from current operations. This sum was provided from balances on hand and from borrowings by two subsidiaries, of which \$30,000,000 is on a short term basis.

These short term loans and the Company's \$50,000,000 ten-year bank loan due August 1, 1958, will be refinanced in 1958. Cash and government securities for the consolidated operations amounted to \$97,000,000 at the year's end.

In the first part of the year, continuance of the Suez Canal crisis upset patterns of production and distribution of petroleum throughout the Free World. Production was increased in the Western Hemisphere to supply Europe. The Company contributed importantly to the measures taken to meet the emergency by adjusting channels of supply, making available both oil and ships to transport it to areas affected by the closing of the canal. The entire oil industry can take pride in the results of its efforts to prevent a chaotic disruption of Europe's economy.

A Federal District Court during the year dismissed a United States Government suit over prices of oil sold by the Caltex companies in Europe under the Marshall Plan in 1950-52. The Court rejected the Government charges as without foundation.

* * *

During 1957, the Company's world-wide gross production of crude oil and natural gas liquids, including its interest in the production of Eastern Hemisphere affiliates, was 891,100 barrels daily, an increase of 10 per cent over

Note: References to "the Company" include activities of wholly owned operating subsidiaries. The term "affiliate" refers to a company in which the interest held is less than 100 per cent.

the 808,500 barrels daily produced in 1956.

In the Western Hemisphere, exploration activities of the Company, which were accelerated several years ago, continued to show favorable results. Additions to reserves again exceeded the production of crude oil and natural gas required for current operations and the Company ended 1957 with the largest volume of proved oil and gas reserves in its history.

While important discoveries were made in several areas in the United States and Canada, the most promising were in Alberta, Canada, and in Mississippi, Louisiana, Wyoming and California.

The Company acquired an interest in an important oil discovery on the Kenai Peninsula of Alaska and will act as operator of a joint venture for further exploration and development. This area holds promise of becoming a new source of supply for Alaska and the West Coast.

Continued growth of the Company's reserves was reflected in an increased amount of drilling for development of new fields. Amounts expended by the Company for development purposes in 1957 totaled \$158,000,000. Exploration expenditures amounted to \$123,000,000, including land acquisitions, geological and geophysical work and drilling of exploratory wells.

The remaining \$130,000,000 expended for capital purposes was invested principally in manufacturing, marketing and distribution facilities.

During the year, the Company took an important step in the extension of its marketing and refining interests by formulating plans to enter the Maritime Provinces and Quebec in Eastern Canada. An interest was acquired in Irving Oil Company, Limited, a long-established enterprise and one of the leading marketers in that region. A refinery will be built at Saint John, New Brunswick, in conjunction with the Irving interests.

Industrial and agricultural chemicals continued to be a growing source of revenue. Sales of these chemicals in 1957 exceeded \$120,000,000, an increase of 17 per cent over 1956 and more than five times the level of a decade ago.

* * *

Dividends and other income from Eastern Hemisphere operations amounted to \$92,671,000 after taxes, a reduction of \$11,398,000 from 1956. In addition to the income received, the Company's equity in undistributed earnings of Eastern Hemisphere affiliates in 1957 was \$46,431,000. This equity in undistributed earnings, which is equivalent to 73 cents a share on the Company's stock, is not included as part of the Company's reported net profit of \$4.56 a share. The equity primarily represents reinvestment of earnings by the Caltex Group of companies, in which the Company holds a 50 per cent interest, to broaden and improve their facilities and future earning power. The Company's total undistributed equity in Eastern Hemisphere affiliates, as represented by the excess of their balance sheet net assets over the carrying cost of the investment by the Company, now amounts to \$462,571,000.

While Arabian American Oil Company, in which the Company holds a 30 per cent interest, was forced to reduce its production sharply during the Suez Canal closing, it restored its operations when the crisis was ended and reached an all-time high production rate in the last half of 1957.

* * *

One of the more serious operating problems confronting the oil industry in the United States during the latter part of 1957 and early 1958 was the greatly increased supply of oil available in relation to demand. Principally contributing to this condition were the accel-

ation of domestic production during the Suez crisis, failure of anticipated increases in demand to materialize during the year and growing imports of foreign oil.

Voluntary restrictions in the amount of oil importations are now in effect, under direction of the Federal Government. It is hoped that these curtailments, together with increased demand, will assist in a solution of the oversupply situation during 1958.

Although the Company is co-operating fully with the Government's program for control of imports, it continues to hold the view, widely accepted by responsible elements both within and without the industry, that imports are essential. They are required to supplement domestic production available on a sustained basis, in order to meet all demands for oil and to maintain underground reserves and a backlog of producibility for use in time of emergency. The Company further subscribes to the view that the volume of industry imports should be consistent with maintenance of a reasonable level of domestic production.

The Company, in common with the rest of American business and industry, felt the impact of a general slackening in economic activity the latter part of 1957 and at the outset of 1958. As demand for petroleum products declined,

production outstripped consumers' immediate needs and excessive inventories began to accumulate. This imbalance between supply and demand continues to pose a serious problem. However, notwithstanding the short-run effects of this economic slowdown, the Company believes the long term outlook for the oil business is favorable. Further increases in petroleum consumption are expected with the continued growth in population and the advances in technology that create requirements for more energy.

* * *

A broadened and liberalized program of benefits for employees was adopted by the Company in 1957. This program is designed to assist in attracting and retaining employees of superior skills. It is practical recognition of the fact that employee performance continues to be the most important single factor in determining the success of the Company's operations.

As in previous years, the employees in 1957 effectively carried out the programs of the Company. The Directors take this occasion to express appreciation of these continuing and loyal efforts.

By Order of the Board of Directors

T. S. PETERSEN, President

R. G. FOLLIS, Chairman of the Board

March 6, 1958

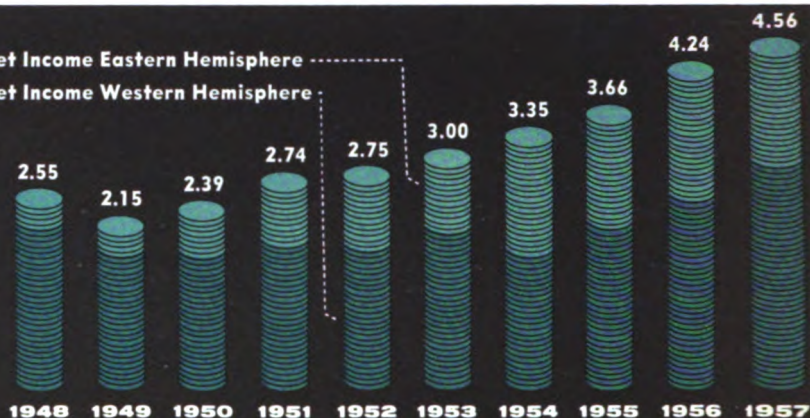
UNDISTRIBUTED EARNINGS OF AFFILIATES

Equity in Earnings Retained by Eastern Hemisphere Affiliates



REPORTED NET INCOME

Net Income Eastern Hemisphere
Net Income Western Hemisphere



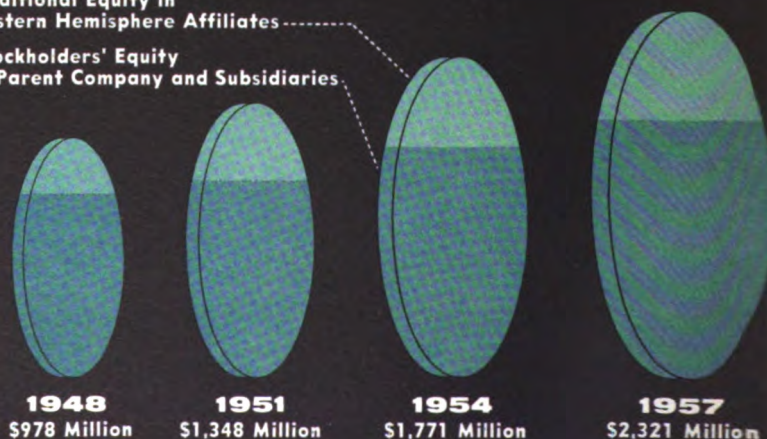
(all figures in dollars per share on shares now outstanding)

GROSS ADDITIONS TO PROPERTIES, PLANT AND EQUIPMENT IN 1957

	<u>United States</u>	<u>Other Countries</u>	<u>Total</u>
Producing	\$147,051,000	\$38,013,000	\$185,064,000
Manufacturing	61,153,000	4,035,000	65,188,000
Marketing	22,104,000	4,077,000	26,181,000
Transportation	17,821,000	5,527,000	23,348,000
Other	4,040,000	2,000	4,042,000
	<u>\$252,169,000</u>	<u>\$51,654,000</u>	<u>\$303,823,000</u>

STOCKHOLDERS' EQUITY

Additional Equity in
Eastern Hemisphere Affiliates
Stockholders' Equity
in Parent Company and Subsidiaries



REVIEW OF OPERATIONS

STANDARD OIL COMPANY OF CALIFORNIA

WESTERN HEMISPHERE

EXPLORATION AND PRODUCTION

It has been estimated conservatively that petroleum requirements of the United States in the next 15 years will exceed its total production since discovery of oil a century ago. Long range forecasts of growth in population and energy requirements likewise support a conclusion that the steady increase in oil consumption since World War II is not likely to abate in our time.

Mindful of this outlook for petroleum in the years ahead, the Company in 1957 continued to devote primary attention to acquisition of crude oil reserves for the future. Toward this end, the major portion of capital investments were concentrated on a far-reaching exploration program and the development of potential or known oil-bearing lands.

Operating companies had production or carried on exploratory work in 21 states and in Alaska; in seven provinces or territories of Canada, and in 10 Latin American and Caribbean countries. The companies involved and their chief areas of interest were Standard Oil Company of California, Western Operations, Inc. in the Far West and Alaska; The California Company in the Gulf Coast and Rocky Mountain areas; Standard Oil Company of Texas in Texas and New Mexico; Pasotex Petroleum Company in Oklahoma; The California Standard Company in Canada; Rich-

mond Exploration Company in Venezuela, and a number of others in Latin America and the Caribbean.

A summary of 1957 drilling operations follows:

Completions (including gas wells)	
Exploratory	31
Development	761
Dry Holes	
Exploratory	89
Development	87
Total wells drilled	968

The Company had 9,568 producing wells at the end of the year.

Production in 1957 was the highest in the Company's history, despite substantial cut-backs during the latter months of the year in certain states and Canadian provinces where oil production is regulated. Gross production of crude oil and natural gas liquids totaled 455,000 barrels a day, against 415,300 barrels daily in 1956.

Exploratory efforts resulted in important finds in Canada, Louisiana, Mississippi, Wyoming and California. A number of other promising discoveries were made in the Gulf of Mexico and in Oklahoma and New Mexico.

Acquisition of further lands in the Gulf was restricted by the ownership dispute between the Federal Government and states in that area. However, Company production in the offshore

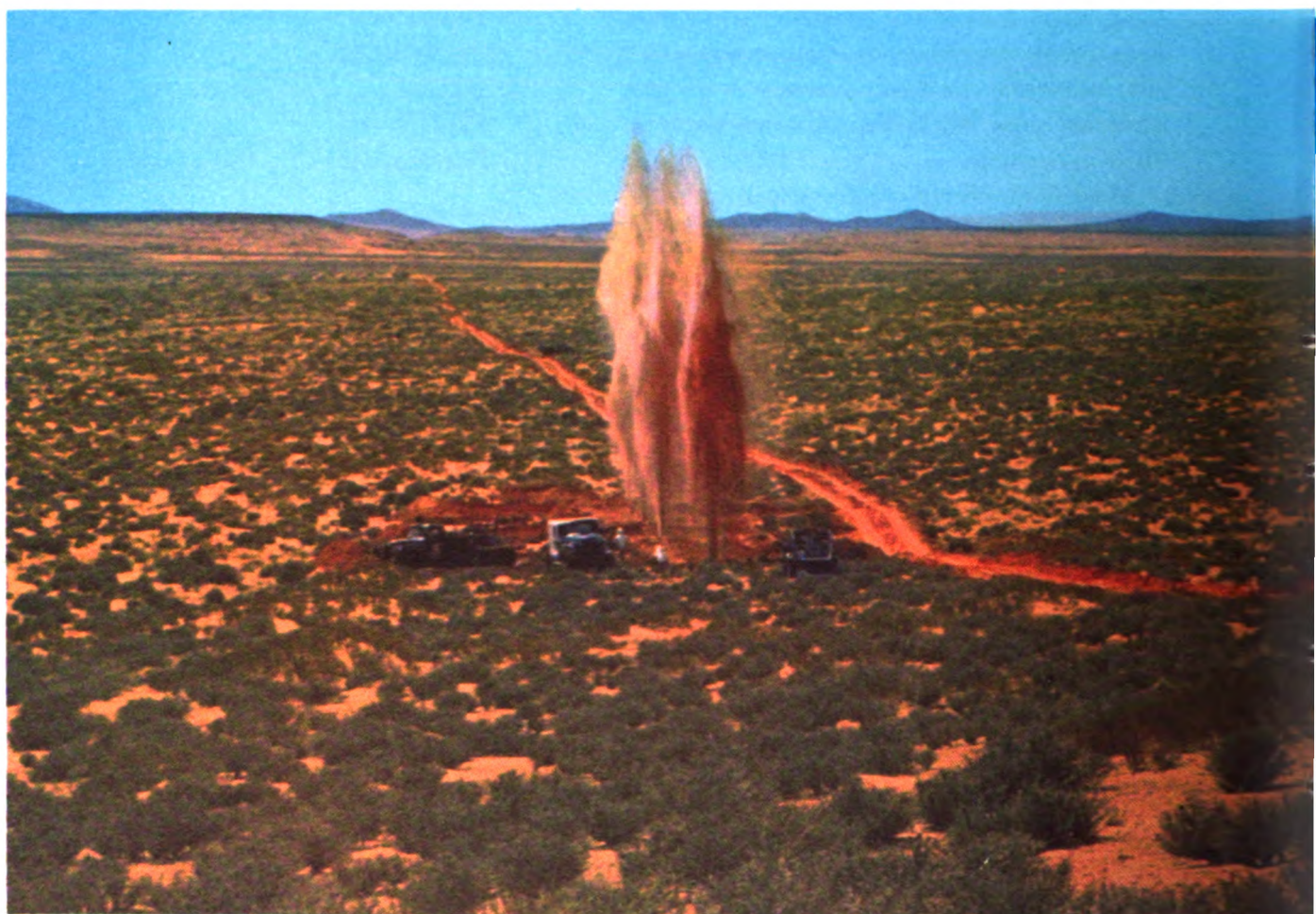
EXPLORATION AND PRODUCTION

areas again reached a new high, averaging 46,300 barrels daily during the year and accounting for 32 per cent of the industry total from the Gulf. Development of the Chevron field, first in Texas waters, was completed in 1957, and marketing of its natural gas and condensate commenced during the latter part of the year.

Drilling onshore in California resulted in three discoveries which were appraised as among the best in the state during the year. The Company meanwhile prepared to drill an exploratory well on the offshore state lease in which it holds a half interest. Two deep core

holes were drilled from a mobile platform to ascertain the most advantageous location for this well, and construction was begun on a permanent platform which will be floated to the site in mid-1958.

A moratorium on leasing of offshore tracts was in effect during most of 1957, while the California Legislature debated revisions of the law governing oil development on submerged lands. Higher royalty scales were enacted in the latter half of the year and leasing is expected to resume early in 1958. However, these new royalty provisions have diminished the attractiveness of the area to potential lessees.



Seismographic explosion by exploration crew in the Arizona desert measures underground formations.

An outstanding exploratory success was drilled on lands held jointly with two other companies in the Kaybob area of west central Alberta in Canada. A favorable land position is enjoyed by the Company in the vicinity of this discovery and development work is proceeding.

Two other important discoveries were accomplished in Canada and evaluation work continued over some 10,000,000 acres of land held in various potentially productive areas in Canada. Production levels meanwhile improved over those of 1956. Outlook for Alberta natural gas brightened in the latter part of the year with the beginning of deliveries to both eastern and western markets.

Discovery of oil on the Kenai Peninsula of Alaska focused renewed attention on this terri-

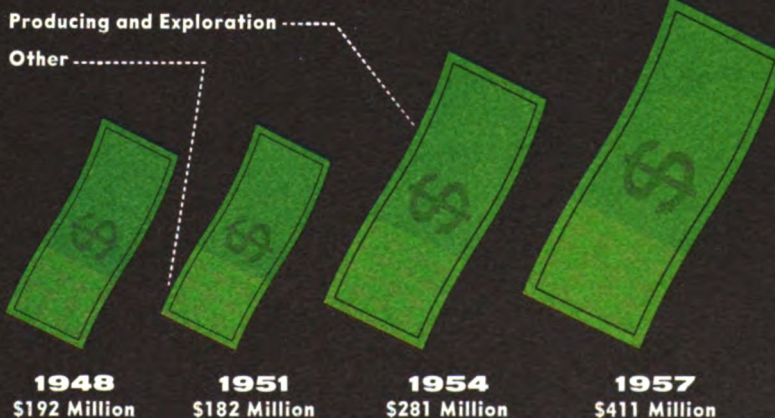
tory, where the Company has substantial land holdings. The Company acquired a half interest in the discovery well and leases and will function as operator of this joint venture.

Throughout its producing operations, the Company continued to further conservation and secondary recovery projects designed to restore some of the production of older, partially depleted oil holdings and to assure the maximum yield from newer fields. The Company presently participates in more than 50 secondary recovery projects and is experimenting with various means of stimulating production from older fields.

A noteworthy development in conservation was the unitization of the Rangely field in Colorado. The California Company has been named



CAPITAL AND EXPLORATORY EXPENDITURES



operator for the producer-members of this unit. By promoting efficiency of operation and eliminating wasteful production methods, the unitization assures maximum recovery of the remaining oil in the field.

Of particular significance in Latin America was the Company's continued expansion of the Boscan field of Venezuela, where an additional 50 development wells were completed during the year. There is now a total of 300 wells in the field. Daily production was 92,000 barrels

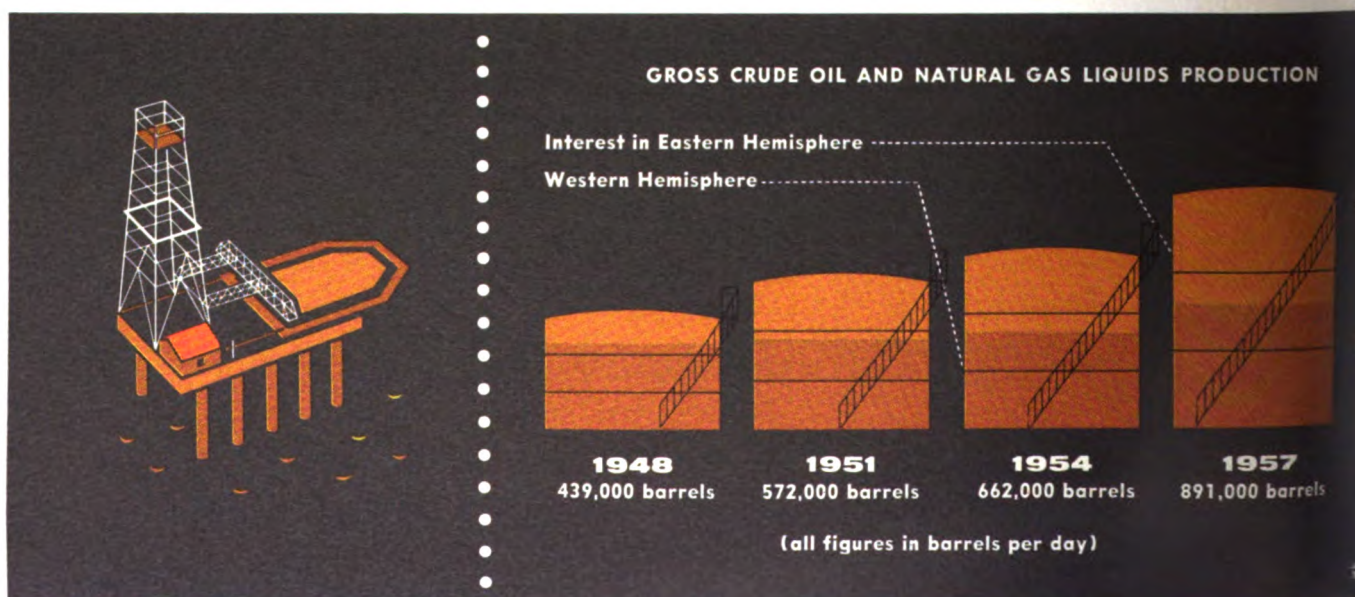
in 1957, as against 61,700 barrels daily the preceding year. Other activities were located around the Caribbean.

Exploratory drilling was conducted elsewhere in Venezuela and in Colombia, Ecuador and Trinidad, but without commercial success. Geological and geophysical studies meanwhile were carried on over large lease holdings in those areas and in Peru, Guatemala, Cuba and the Bahamas. Action was initiated to acquire leases in Bolivia.

CRUDE OIL AND NATURAL GAS LIQUIDS PRODUCTION — (Barrels Per Day)

	<i>Gross</i>		<i>Net</i>	
	1957	1956	1957	1956
California	138,769	140,641	127,250	129,071
Texas-New Mexico	53,041	53,081	46,711	46,723
Louisiana-Mississippi	97,822	91,025	84,167	78,501
Colorado-Wyoming-Utah	46,397	44,163	40,280	38,288
Other States	1,370	1,121	1,192	978
Canada	25,612	23,552	22,431	20,593
South America	92,034	61,753	76,696	51,463
Total Western Hemisphere	455,045	415,336	398,727	365,617
Eastern Hemisphere*	436,031	393,158	430,009	388,503
Total World-Wide	891,076	808,494	828,736	754,120

*Proportion of operations in Eastern Hemisphere represented by the Company's stock interest in affiliates owned 50% or less and a subsidiary.





Drilling crew working underneath the floor of the S-55, huge, movable oil drilling barge in the Gulf of Mexico.

MANUFACTURING

The Company in 1957 continued an extensive program for upgrading and expanding facilities at its various refineries. By the close of the year, some \$65,000,000 had been invested in refineries and manufacturing plants, to fulfill customers' needs for new and better products.

Principal refineries of the Company are located at Richmond, El Segundo and Bakersfield, California; Salt Lake City, Utah; El Paso, Texas; Perth Amboy, New Jersey; and Vancouver, British Columbia.

At Richmond and El Segundo, projects were completed which increased the Company's total crude refining capacity in California by 50,000 barrels daily. Catalytic reforming units, designed to increase production of high quality gasoline, were also begun at Richmond and Bakersfield. Additionally, new units were completed or begun at Richmond that will add substantially to output of products destined for the fast-growing chemicals market. These included plants for the manufacture of paraxylene, a raw material for synthetic fibers; poly-



Giant fluid catalytic cracker nears completion at El Paso refinery, Texas.

butenes, used in plastics; and "Alkane," the key intermediate used in the manufacture of household detergents.

Elsewhere, a refinery expansion was completed at El Paso which increased that plant's capacity from 38,000 to 61,000 barrels daily. Units designed to improve motor fuel quality were installed at Salt Lake City and Perth Amboy, and the latter also undertook an expansion that will raise capacity from 88,000 to 100,000 barrels daily by 1959.

The Company's refineries in the Western Hemisphere processed 518,600 barrels of crude oil daily in 1957, compared to 504,200 barrels daily in 1956. This was again a new annual record for crude runs, despite a decline in throughput late in the year.

A unique development was the completion of American Gilsonite Company's facilities in eastern Utah and western Colorado for converting Gilsonite, a solid hydrocarbon, to high octane gasoline and high grade coke. This project involves three unusual features: a wet mining method employing powerful hydraulic jets; the first pipe line to transport a solid material over mountainous country; and the first commercial plant in the United States to manufacture gasoline from a solid. American Gilsonite is owned 50 per cent by the Company.

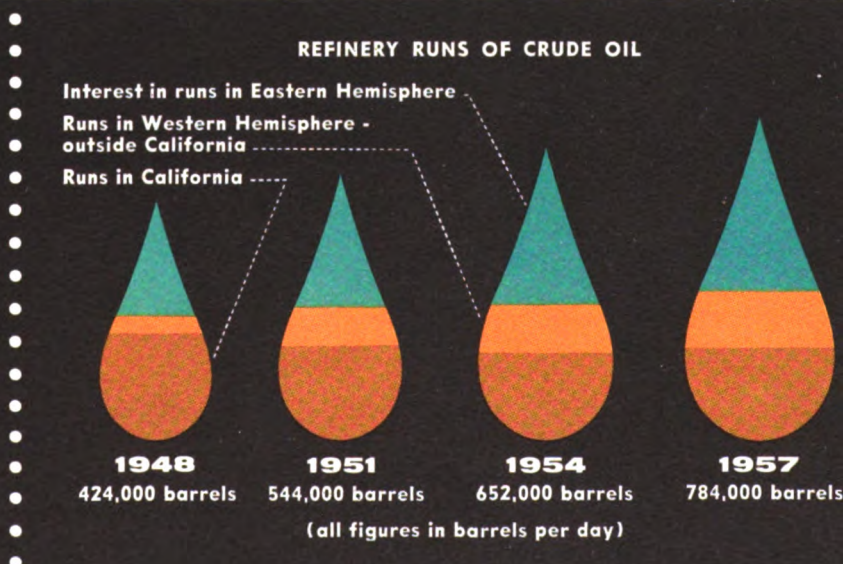
Arrangements are being completed for acquisition of a site for a projected refinery on the island of Oahu, Territory of Hawaii. This location is 20 miles west of Honolulu. Present plans call for construction of the refinery to begin in 1958.

The Company also continued to hold a sizable plot of land for possible construction of a refinery near Everett, Washington. However, it is not expected that demand will require the start of this project until 1960.

The asphalt refinery at Bajo Grande, Venezuela, was expanded to process about half of the Company's production in the area, which is of an asphaltic type heavy crude.

Plans were completed during the year for construction of a 36,500 barrel-a-day refinery at Saint John, New Brunswick. The plant will be built in association with the Irving interests, who are prominent marketers operating in the Maritime Provinces of Canada and Quebec.

Scheduled for completion early in 1960, the refinery will manufacture a full line of high quality products to be sold through Irving Oil Company, Limited. The plant will be owned and operated by Irving Refining Limited, a newly established firm owned jointly by the Irving interests and Standard Oil Company of British Columbia Limited, a subsidiary.



MARKETING

The Company's marketing operations in 1957 were characterized once again by the lively competition that has prevailed in the sales end of the industry for more than a decade. This competition was intensified by a growing price-consciousness among consumers as the economy lagged somewhat in the latter part of the year. Not only were other petroleum suppliers active in the market, but also natural gas utilities which have been contesting vigorously for business formerly served only by fuel oil and home heating oil dealers.

Sales of products at both the retail and wholesale level were carried on by Standard Oil Company of California, Western Operations, Inc. in the seven Western States, Alaska and Hawaii; Standard Oil Company of British Columbia Limited in Western Canada; Standard Oil Company of Texas in West Texas and New Mexico; The California Company in four Rocky Mountain and Mid-Continent States; The California Oil Company in 12 states along the Eastern Seaboard and in the District of Columbia; and Compañía Petrolera California, Ltd. in Central America.

In the sale of automotive fuels, consumer requirements have been spiraling steadily upward to match increases in horsepower and

compression ratios of new autos. To meet the higher performance standards of these cars, the Company during the year marketed a new Chevron Supreme Gasoline and a new RPM Supreme Motor Oil. Both constituted significant improvements in these product lines.

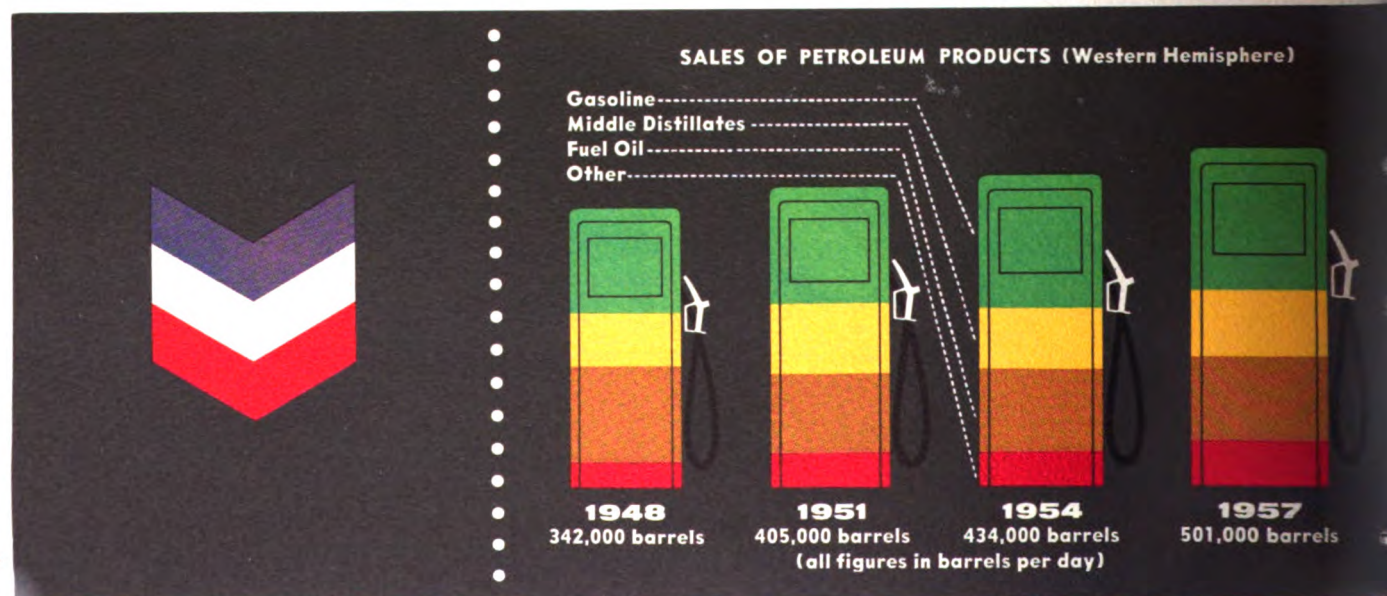
Additional service stations were constructed to serve rapidly growing communities and the changing national highway system. The Company also continued with its program of remodeling older stations to increase their efficiency of operation and attractiveness.

Products of the Company are marketed through some 13,500 service stations in the United States and Western Canada. These are identified as part of the Standard Oil of California family by display of the Chevron Hallmark. Most of the Company's marketing facilities now carry this distinctive emblem.

Demand for aviation gasoline and jet fuel continues to increase. The Company is therefore building new facilities at several airports to fulfill anticipated higher requirements when new jet airliners begin operation.

The Company in 1957 completed arrangements for extending its sales territory to include the islands of French Oceania. A new bulk plant is now being built on Tahiti to serve growing petroleum requirements of the area.

For many years the Company has been a



specialist in the formulation and sales of paving and industrial asphalts. This activity is carried on by American Bitumuls & Asphalt Company, a leading marketer of road and other surfacing materials throughout the United States. Affiliates and a subsidiary market in Canada, the Far East and in other foreign areas.

Marketing position of American Bitumuls was improved during the year, with business again stimulated by the growing highway needs of the country. This subsidiary has 22 emul-

sion plants and terminals in the United States, operates five asphalt refineries under its own management and is also supplied by several of the Company's general refineries.

Through other operating companies, a program aimed at sales expansion in Central America was undertaken during the year. Marine terminals and bulk plants were constructed or begun in Guatemala, Costa Rica and Honduras, and arrangements were made for acquiring service station sites and developing dealer organizations in those countries.



Standard Stations, Inc., service station on new superhighway in the West.

RESEARCH AND CHEMICAL PRODUCTS

A forward-looking research organization is essential to success in an integrated oil company, since the products and processes which constitute the foundation of the company's business must first be conceived and perfected in the laboratory. Moreover, maintenance of a favorable market position continues to depend importantly upon ability of the research force to develop new and improved products and techniques which match or outdo those of competitors.

California Research Corporation, a wholly owned subsidiary, carries on these functions for the Company and its various operating components. It pursues developments in petroleum and petroleum chemical products and processes, and in oilfield exploration and production. In addition California Research provides technical counsel and assistance on specific day-to-day problems encountered by the Company's marketing, manufacturing, producing and other organizations.



Test cell in new engine laboratory, California Research Corporation, Richmond.

California Research scientists also engage in basic studies designed to supplement and broaden the Company's knowledge of petroleum technology, as a foundation for further advances in product and process evolution.

More than \$17,500,000 was expended in 1957 by the Company on research and technical services. Engaged in this work were approximately 1,400 employees, of whom about half hold technical degrees in various fields of engineering, chemistry and physics.

An improved new automotive lubricant, RPM Supreme, was formulated during the year. Improvement was also made in the process for manufacture of high octane gasolines and of chemicals by catalytic means. Use of this new manufacturing method will result in savings to the Company, and additional revenue will be derived through patent rights.

Other progress was accomplished in compounding of radiation-resistant lubricants for atomic engines. Further research was carried on in development of extra-high octane fuels for tomorrow's automotive engines, and in the field of petrochemicals.

Experiments were continued into the commercial possibilities of "fire-flooding," a new method for stimulating oil flow from declining fields by burning in place a part of the oil

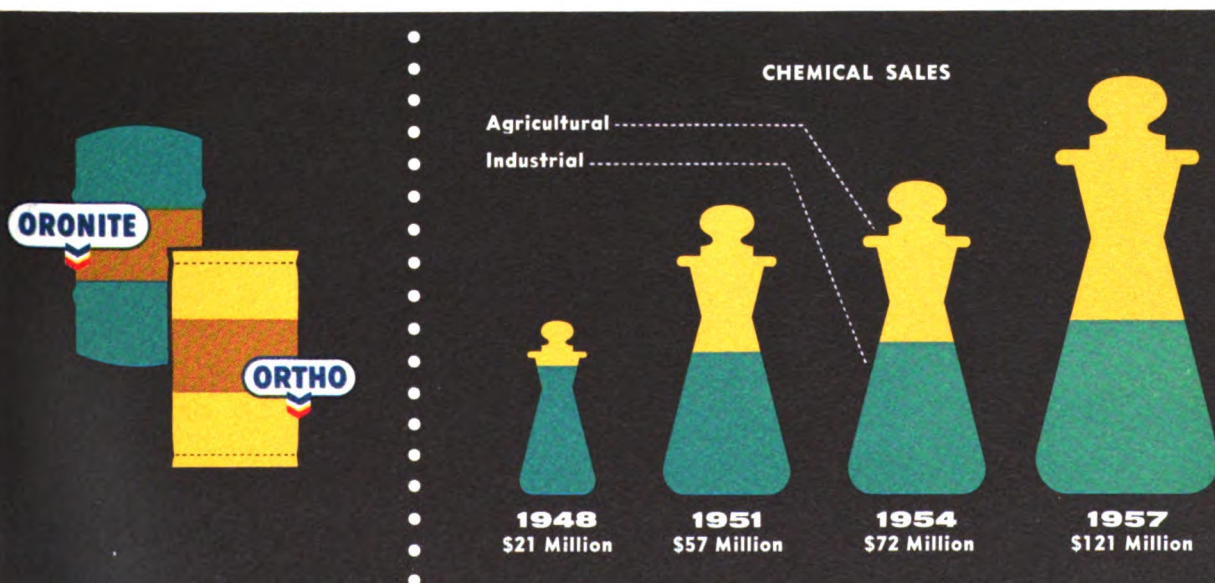
underground. Other studies led to development of a method for control of sand to avoid choking off production of oil.

Another research project was conducted in the Gulf of Mexico to determine the force and effect of currents and waves on drilling platforms in water down to and beyond 100-foot depths. Engineering information derived from this study is being applied in design of several platforms now under construction.

In the field of exploration, the complex device developed two years ago for evaluating seismic records electronically was significantly improved. The instrument lessens the time-consuming human activity that formerly made it impracticable to appraise such records. Also developed by California Research were a new method and electronic instruments for determining the characteristics of crude oil. This technique is proving valuable in both exploration and production work.

CHEMICAL PRODUCTS

A new subsidiary, California Chemical Company, was organized to co-ordinate the activities of Oronite Chemical Company and California Spray-Chemical Corporation, and to provide long range planning for the Company's expansion in chemicals.



Oronite marketed 31 chemical products in 55 countries. It supplied chemical intermediates to industry for manufacture of a wide range of products, including synthetic detergents, synthetic fibers, plastic films, molding plastics, paints, plywood glues, synthetic rubber and high performance lubricating oils.

More than 65 per cent of Oronite's domestic sales were in the Eastern United States and more than 20 per cent of its total sales were to customers outside the United States. To serve these markets, tankships supplied terminals on the East and Gulf Coasts and in Cuba, Mexico, Colombia, Peru, Denmark, Belgium, Italy and Japan.

Two plants are being built in France, one to supply the basic materials for synthetic detergents and the other to manufacture lubricating oil additives. These plants will be operated with French partners. Similar affiliates in Great Britain manufactured detergent materials and lubricating oil additives for markets throughout the Sterling area.

Calspray devoted its major efforts to strengthening and expanding its domestic and foreign marketing and distribution facilities.

Under the brand name of ORTHO, it marketed a wide variety of garden and farm pest control products and insecticides. Calspray also built up markets for a broad line of chemical fertilizers in the Western United States.

A new manufacturing plant in southern France was placed in operation during the year, to serve various areas in the Eastern Hemisphere. Branches were established in El Salvador and Chile to provide technical service in Central and South American countries. Calspray operated through affiliated companies in France, Germany and Mexico, and through a subsidiary in Canada.

TRANSPORTATION

A management organization, California Shipping Company, was set up to co-ordinate tankship and marine operations of the Company.

During 1957 contracts were placed for construction of eight large tankers for foreign service, bringing the total now on order to ten. A smaller tanker was ordered for Alaskan coastal service.

The Company's fleet consisted of 27 owned



seagoing vessels and 23 others under charter.

An expansion program of the West Texas crude pipe line system was completed to serve the El Paso refinery. Its enlarged capacity makes available supplies that could be transported to Southern California, through lines owned by other companies, in the event of emergency.

Carrying capacity of the crude line running from western Colorado to Salt Lake City was increased 14,000 barrels daily during 1957, and work was under way to increase the capacity of the Salt Lake City-Spokane products line several thousand barrels daily.

Construction will be finished early in 1958 on a 600-mile crude oil line running from the Four Corners area of the Southwest to Los Angeles. It will have a capacity of 70,000 barrels daily. The Company has a 25 per cent interest in the line.

EMPLOYEE RELATIONS

The Company and its subsidiaries employed 40,121 men and women at the end of 1957, an increase of 1,267 over the 1956 figure. There was a larger number of employees in

the technical and professional fields, reflecting the need for specialized knowledge and ability.

A major liberalization of employee benefits was instituted during the year, improving provisions for retirement; vacations; benefits for industrial injury, sickness or death; life insurance coverage, and medical-hospital insurance.

The revised benefits program assures the greatest good to those men and women upon whom the Company is dependent for its success. The effect of this will be to continue and to strengthen the Company's favorable position in the competition for superior employees.

More than 98 per cent of eligible employees participated in the Stock Plan. The 15,186 members are now contributing annually more than \$4,000,000 to the Plan. These funds, together with payments by the Company and cash dividends, were invested in Company stock purchased on the open market. At the end of the year, 1,338,000 shares were held in trust under the Plan, or 2.1 per cent of the Company stock outstanding.

The Company continued its program of aid to education, which now encompasses a variety of activities ranging from financial support of students and institutions to informational programs designed to broaden public understanding of the petroleum industry. In the former category, the Company awarded scholarships to promising students, fellowships to outstanding graduates in the sciences, research grants in selected fields related to the Company's business, and unrestricted grants to assist non-tax-supported colleges and universities in defraying their operating costs.



*Gilsonite refinery near Grand Junction, Colorado,
at end of pipe line from Bonanza, Utah.*

EASTERN HEMISPHERE

ARABIAN AMERICAN OIL COMPANY

Aramco's crude oil production during 1957 averaged 992,100 barrels daily, as compared with 986,100 barrels daily in 1956. The three-billionth barrel of crude oil was produced by Aramco in December, 1957; Saudi Arabia is the second nation in the Middle East and the fifth in the world to reach this figure.

The refinery at Ras Tanura processed 192,600 barrels daily in 1957, as against 198,500 in 1956.

Production was begun from the first offshore oil development in the Persian Gulf and an additional offshore discovery was made 30 miles southeast of this area. On land, oil was also found in a new field 150 miles southwest of Dhahran, Aramco's headquarters city. Another discovery indicated an extension of the Ghawar field by 12 miles, bringing its total length to 152 miles.

Conservation activities were continued to provide the most efficient recoveries possible from reserves. Work was begun on a project



for injecting high-pressure gas into a portion of the Ghawar field.

Efforts likewise were continued to aid in the economic progress of the Saudi Arabs and to assist them in the development of health and housing activities.

A 30 per cent interest is held by the Company in Aramco.

TRANS-ARABIAN PIPE LINE COMPANY

An expansion program which increased Tapline's capacity to 435,000 barrels daily was completed in 1957. During the year the line carried 347,700 barrels of crude daily from Saudi Arabia to Sidon, Lebanon, compared with 328,200 barrels daily in 1956. Further expansion of capacity to 450,000 barrels daily is scheduled for mid-1958.

Tapline is 30 per cent owned by the Company.

CALTEX

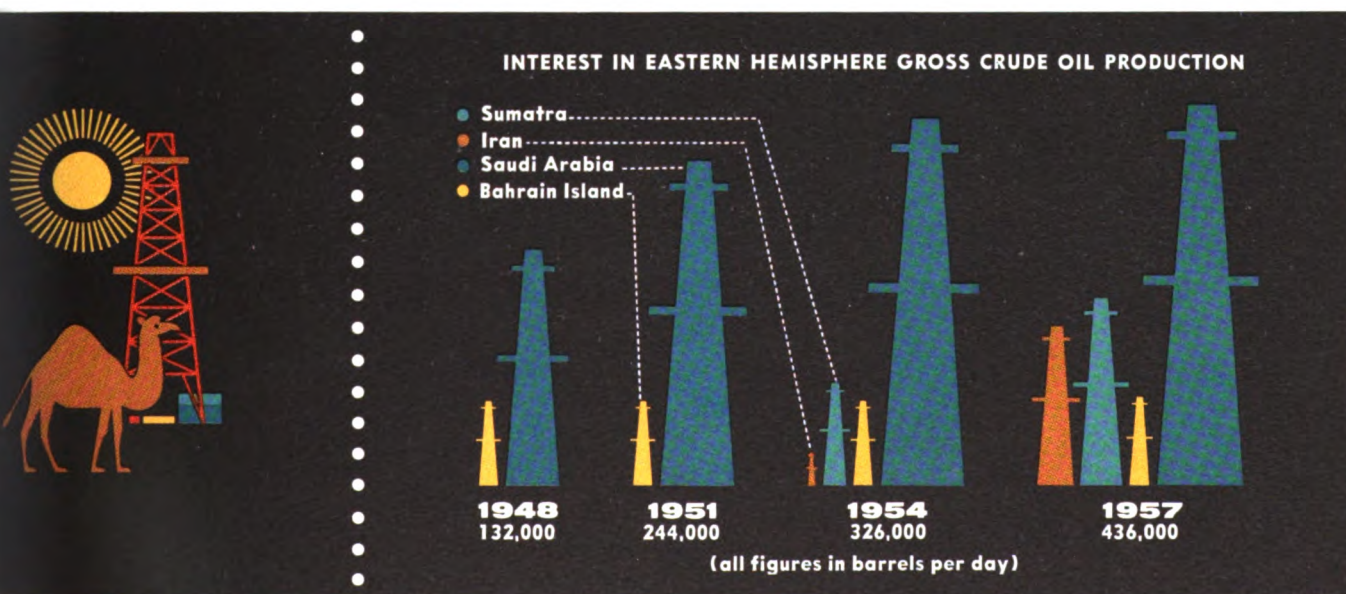
The Caltex group of companies, owned 50 per cent by the Company, operates in more than 70 Eastern Hemisphere countries outside the Iron Curtain, with some 37,000 employees,

mostly nationals of foreign countries, and with attendant benefits to the economies of the areas concerned.

Despite the disruption caused by the Suez Canal closing, these companies increased their crude and product sales in 1957 to 673,000 barrels daily, as against 600,400 barrels daily in 1956.

They continued exploration activities in many Eastern Hemisphere countries, both on their own behalf and as operators of joint ventures in which a subsidiary of Standard Oil Company of California was a participant. Active exploration was concentrated principally in Australia, The Philippines, France, Libya and Turkey. Substantial additions were made to acreage held under concession in Libya and Turkey.

In 1957 the Caltex operating company on Sumatra produced an average of 147,200 barrels daily, as compared with 88,600 barrels daily the previous year. The Bahrain Petroleum Company Limited, operating in Bahrain, produced 32,000 barrels daily, compared with 30,100 barrels daily in 1956. Efforts were directed in all producing areas



Pipe line from new offshore discovery by Aramco, Safaniyah field, crosses corrosive salt flats above ground.

toward increasing the companies' production and crude oil reserves. Construction progressed on Sumatra on a pipe line that will carry oil from a new field to deep-water terminal facilities, starting in mid-1958.

At the end of 1957 the tankship companies in the Caltex Group owned 62 tankers. In addition, 66 tankers were operated under medium to long term charters.

The Caltex companies owned or had an interest in 15 refineries located in Australia, The Philippines, Japan, Italy, Spain, France, The Netherlands, Lebanon, India and Bahrain Island. The newest Caltex refinery, on the East Coast of India, was completed during the year. Refineries wholly or partially owned by Caltex processed 476,000 barrels daily of crude oil in 1957, compared with 425,800 barrels daily in 1956. Construction began on a refinery in Ireland; Caltex will have a 20 per cent interest in this facility.

A major suit brought by the United States Government against several Caltex companies, in which Standard Oil Company of California was also a defendant, was dismissed in Federal District Court. This was the suit in which the Government sought more than \$66 million, claiming overcharges on certain European sales of crude oil by Caltex, between September 1, 1950 and August 31, 1952. The Court stated: "We cannot conclude without saying

and finding as a fact that the defendants' proof showed beyond contradiction that the prices financed by ECA were, in fact, the lowest competitive market prices." The Government has filed an appeal.

IRANCAL

Production in Iran during 1957, third full year of operations there by the International Oil Consortium, reached an all-time record high. The Company's 7 per cent interest in the Consortium is held by a wholly owned subsidiary, Iran California Oil Company. Iranocal's share of production was 48,200 barrels daily, as compared with 37,200 barrels daily in 1956. Its share of the refinery runs at Abadan refinery was 18,100 barrels daily in 1957 and 14,500 barrels daily in 1956.

The Consortium's exploration program was accelerated during 1957. Two development wells were completed successfully and there were considerable increases in proved reserves. A major development program was initiated, involving construction of a new pipe line and a new crude oil marine loading terminal equipped to handle the largest tankers.

Progress was made in the construction of new housing and in providing medical, educational and other facilities.

STANDARD OIL COMPANY OF CALIFORNIA

CONSOLIDATED STATEMENT OF INCOME

	1957	1956
<i>Gross Income:</i>		
Sales and other operating revenues	\$1,650,823,119	\$1,452,520,631
Dividends from affiliated and other companies	85,745,948	107,080,164
Other income	3,435,846	7,747,235
	<u>1,740,004,913</u>	<u>1,567,348,030</u>
<i>Expenses:</i>		
Operating expenses, including exploration	611,056,338	558,657,691
Purchased crude oil, petroleum products and other merchandise	591,858,236	474,474,610
Depreciation, depletion and amortization	148,996,072	145,556,662
Federal and other taxes based on income (estimated)	40,100,000	66,300,000
Other taxes	57,703,724	52,805,079
Interest on indebtedness	2,060,152	1,663,187
	<u>1,451,774,522</u>	<u>1,299,457,229</u>
<i>Net Income</i>	<u>\$ 288,230,391</u>	<u>\$ 267,890,801</u>

CONSOLIDATED STATEMENT OF EARNED SURPLUS

	1957	1956
<i>Balance at Beginning of Year</i>	\$ 893,970,554	\$730,399,990
<i>Net Income for Year</i>	288,230,391	267,890,801
<i>Cash Dividends</i>	(120,121,947)	(104,320,237)
<i>Balance at End of Year</i>	<u>\$1,062,078,998</u>	<u>\$893,970,554</u>

CONSOLIDATED BALANCE SHEET AT DECEMBER 31

ASSETS

	1957	1956			
<i>Current Assets:</i>					
Cash	\$ 96,692,415	\$ 113,285,599			
U. S. Government securities, at cost which approximates market . .	638,432	24,221,385			
Accounts and notes receivable (less reserves of \$2,480,000 in 1957 and \$2,350,000 in 1956)	228,506,987	224,473,811			
Inventories:					
Crude oil and products, at cost (on last-in, first-out basis), which is below market	161,923,073	120,876,176			
Other merchandise, at cost	22,726,342	21,388,888			
Materials and supplies, at or below cost	71,135,987	57,879,885			
	581,623,236	562,125,744			
 <i>Long Term Receivables</i>					
(less reserve of \$270,000 in 1957 and 1956)	16,017,121	15,548,504			
 <i>Investments in Companies Not Wholly Owned (At or Below Cost):</i>					
Operating in foreign countries	65,201,899	33,432,730			
Operating in the United States	16,521,322	10,257,541			
 <i>Properties, Plant and Equipment:</i>					
<i>Classification</i>	<i>Gross Book Value</i>	<i>Depreciation, Depletion and Amortization Reserves</i>	<i>Net Book Value</i>		
Producing . .	\$1,716,166,460	\$ 779,561,139	\$ 936,605,321		
Pipe Line . .	105,469,794	48,022,791	57,447,003		
Manufacturing .	571,059,680	279,386,255	291,673,425		
Marine . . .	98,493,264	41,604,681	56,888,583		
Marketing . .	236,828,185	85,314,764	151,513,421		
Motor Transport	25,020,088	14,158,921	10,861,167		
Other	45,470,775	12,925,866	32,544,909		
Total	\$2,798,508,246	\$1,260,974,417	\$1,537,533,829	1,537,533,829	1,394,069,804
 <i>Prepaid and Deferred Charges</i>			29,398,691		25,938,760
 TOTAL ASSETS.			\$2,246,296,098		\$2,041,373,083

STANDARD OIL COMPANY OF CALIFORNIA

LIABILITIES

	1957	1956
<i>Current Liabilities:</i>		
Accounts payable	\$ 168,254,077	\$ 156,600,644
Notes payable and current installments of long term debt	31,743,540	1,449,540
Accrued interest on indebtedness	601,565	502,565
Federal and other taxes based on income (estimated)	45,647,750	63,001,678
Other accrued taxes payable	38,152,411	31,986,878
	<u>284,399,343</u>	<u>253,541,305</u>
 <i>Long Term Debt:</i>		
Standard Oil Company of California:		
1.85% loans from banks due August 1, 1958 (to be refinanced) .	50,000,000	50,000,000
Purchase obligation due annually to 1961	1,782,808	2,334,425
Subsidiary Company:		
Salt Lake Pipe Line Company 2.7% to 4.75% notes due in varying amounts to 1981	30,500,000	24,387,500
	<u>82,282,808</u>	<u>76,721,925</u>
 <i>Reserves — General Insurance and Employee Benefits</i>	<u>20,713,718</u>	<u>20,318,068</u>
Total Liabilities	<u>387,395,869</u>	<u>350,581,298</u>

STOCKHOLDERS' EQUITY

<i>Capital Stock — \$6.25 par value</i>	395,152,412	395,152,412
Shares authorized . . . 80,000,000		
Shares issued 63,224,386		
 <i>Capital Surplus</i>	401,668,819	401,668,819
<i>Earned Surplus</i>	1,062,078,998	893,970,554
Total Stockholders' Equity	<u>1,858,900,229</u>	<u>1,690,791,785</u>
 TOTAL LIABILITIES AND EQUITY . . .	<u><u>\$2,246,296,098</u></u>	<u><u>\$2,041,373,083</u></u>

NOTES TO FINANCIAL STATEMENTS

Principles of Consolidation

The accounts of all wholly owned subsidiary companies are included in the consolidated financial statements. Items recorded in foreign currencies are expressed in United States dollars as follows: Current and working assets and liabilities at rates of exchange in effect at the close of the year, investments and fixed assets at rates in effect when acquired, and income, costs and expenses at average rates of exchange during the year, except depreciation, depletion and amortization which are calculated on the United States dollar cost of properties. Unrealized profits or losses from conversion of items as described above are included in the consolidated statement of income.

Companies Not Wholly Owned

The Company's equity in undistributed net income of unconsolidated companies over 50% owned has increased \$1,871,716 since acquisition; dividends from them during the year exceeded the Company's equity in their 1957 net income by \$357,325. The investment in such companies at December 31, 1957 was carried at \$13,349,977.

The Company's equity in the estimated 1957 net income of companies owned 50% or less operating in the Eastern Hemisphere exceeded dividends from them during the year by \$46,482,323.

Properties, Plant and Equipment

Properties, plant and equipment are carried at cost. Exploration expenditures resulting in the ac-

quisition or retention of properties are capitalized, while the remainder is charged to expense. Costs of undeveloped leaseholds are amortized at rates which are based upon past experience. Costs of wells capable of commercial production are capitalized, and costs of unproductive wells are charged to expense.

Taxes

The liability for Federal and other taxes on 1957 and prior years' income, which may result from the final interpretation of tax laws and regulations, is not presently determinable, but the amount included under current liabilities in the balance sheet at December 31, 1957, together with funds on deposit with the District Director of Internal Revenue, should be sufficient to meet such liability.

No provision has been made for foreign and domestic taxes which may be payable on future distributions from surplus of wholly owned subsidiaries and of companies not wholly owned.

Retirement and Stock Plans

During the year the companies charged income with \$10,440,707 in connection with retirement plans; this amount included a \$250,000 provision made to establish a book reserve. The companies provide for their liabilities under retirement plans by deposits with trustees and insurance companies and by the book reserve. Past service costs not provided for at December 31, 1957 amounted to approximately \$15,000,000, or less than 10% of the

estimated liabilities under the plans. Periodically, actuarial computations of liabilities under the plans are prepared and adjustments will be made in the future as required.

The charge against income in 1957 in connection with the stock plan for employees amounted to \$7,071,343.

Contingent Liabilities and Commitments

At December 31, 1957 the Company and its subsidiaries had contingent liabilities of \$51,045,152 as guarantor of notes of affiliated companies operating in foreign countries and \$30,991,090 as guarantor of notes of others. The Company and its subsidiaries

have certain other contingent liabilities (in addition to those referred to in the accompanying notes relating to "Taxes" and "Retirement and Stock Plans") in respect of litigation, claims, renegotiation, commitments and as guarantor of contracts. Officials of the Company are of the opinion that such contingent liabilities will not result in any significant financial liability in relation to the net assets of the Company and its subsidiaries.

At December 31, 1957 the Company and its subsidiaries had long term charters and leases covering tankers, service stations and office space. The charter hire and net rentals under such agreements are estimated to average approximately \$29,000,000 annually during the next three years.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Directors of

Standard Oil Company of California:

In our opinion, the accompanying consolidated balance sheet and the related statements of income and earned surplus, together with the notes thereto, present fairly the consolidated financial position of Standard Oil Company of California and wholly owned subsidiary companies at December 31, 1957 and the results of their operations for the year, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Our examination of these statements was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

PRICE WATERHOUSE & CO.

San Francisco, March 6, 1958

TEN YEARS OF FINANCIAL AND OPERATING

		1957	1956	1955
Financial	Net Income	\$ 288,230,000	\$ 267,891,000	\$ 231,139,000
	Per Share (On 63,224,386 shares at Dec. 31, 1957) . . .	\$ 4.56	\$ 4.24	\$ 3.66
	Dividends	\$ 120,122,000	\$ 104,320,000	\$ 90,321,000
	Stock (In year declared) and Stock Splits		2 for 1 split	5%
	Cash Per Share — (On shares outstanding during the year) .	\$ 1.90	\$ 1.65	\$ 3.00
	— (On 63,224,386 shares at Dec. 31, 1957) .	\$ 1.90	\$ 1.65	\$ 1.43
	Sales and Other Operating Revenues	\$1,650,823,000	\$1,452,521,000	\$1,277,840,000
	Total Assets	\$2,246,296,000	\$2,041,373,000	\$1,855,610,000
	Liabilities	\$ 387,396,000	\$ 350,581,000	\$ 328,389,000
	Stockholders' Equity — at Book Value	\$1,858,900,000	\$1,690,792,000	\$1,527,221,000
	Per Share (On 63,224,386 shares at Dec. 31, 1957) . . .	\$ 29.40	\$ 26.74	\$ 24.16
	Number of Stockholders	148,315	137,381	119,793
	Working Capital (Net Current Assets)	\$ 297,224,000	\$ 308,584,000	\$ 283,228,000
	Properties, Plant and Equipment (Net)	\$1,537,534,000	\$1,394,070,000	\$1,270,320,000
	Additions to Properties, Plant and Equipment	\$ 303,823,000	\$ 272,065,000	\$ 275,963,000
	Depreciation, Depletion and Amortization	\$ 148,996,000	\$ 145,557,000	\$ 138,395,000
	Eastern Hemisphere Interests*			
	Dividends Received and Other Net Income (before taxes) \$	114,005,000	\$ 117,417,000	\$ 101,502,000
	Company's Equity in Undistributed Net Income for Year \$	46,431,000	\$ 10,140,000	\$ 20,777,000
	Excess of Company's Equity in Net Assets at Book Value			
	Over Investment on Company's Books	\$ 462,571,000	\$ 415,901,000	\$ 405,760,000
Operating	Gross Production of Crude Oil and Natural Gas Liquids (Barrels)	166,091,000	152,013,000	133,534,000
	Net Production of Crude Oil and Natural Gas Liquids (Barrels)	145,535,000	133,816,000	117,719,000
	Purchases of Crude Oil, Excluding Royalty (Barrels) . . .	143,095,000	125,084,000	114,717,000
	Refinery Runs of Crude Oil (Barrels)	189,282,000	184,525,000	168,698,000
	Sales of Petroleum Products (Barrels)	182,986,000	187,353,000	179,804,000
	Sales of Crude Oil (Barrels)	107,131,000	87,305,000	69,817,000
	Sales of Natural Gas (1,000 Cu. Ft.)	122,698,000	108,354,000	113,252,000
	Inventories of Crude Oil and Products (Barrels)	65,301,000	48,999,000	48,980,000
	Number of Wells Drilled† — Oil and Gas	792	811	705
	Dry	176	162	117
	Producing Oil and Gas Wells†	9,568	9,336	8,634
	Acreage of Oil and Gas Properties (Net) — United States .	11,588,000	10,986,000	10,707,000
	Acreage of Oil and Gas Properties (Net) — Foreign . . .	36,844,000	35,115,000	31,096,000
	Number of Employees	40,121	38,854	36,369
WESTERN HEMISPHERE	Gross Production of Crude Oil (Barrels)	159,152,000	143,896,000	130,484,000
	Refinery Runs of Crude Oil (Barrels)	96,865,000	91,132,000	84,068,000
	Sales of Petroleum Products (Barrels)	91,458,000	88,996,000	79,244,000
EASTERN HEMISPHERE ★	Gross Production of Crude Oil and Natural Gas Liquids (Barrels)	325,243,000	295,909,000	264,018,000
	Refinery Runs of Crude Oil (Barrels)	286,147,000	275,657,000	252,766,000
	Sales of Petroleum Products (Barrels)	274,444,000	276,349,000	259,048,000
TOTAL WORLD-WIDE	Gross Production of Crude Oil and Natural Gas Liquids (Barrels)	325,243,000	295,909,000	264,018,000
	Refinery Runs of Crude Oil (Barrels)	286,147,000	275,657,000	252,766,000
	Sales of Petroleum Products (Barrels)	274,444,000	276,349,000	259,048,000

† On basis of Company's net interest in all wells in which it has an equity.

§ \$1.50 on 31,612,193 shares before 2 for 1 stock split and \$.90 on 63,224,386 shares after split.

STATISTICS

STANDARD OIL COMPANY OF CALIFORNIA AND WHOLLY OWNED SUBSIDIARIES

1954	1953	1952	1951	1950	1949	1948
\$ 211,872,000	\$ 189,453,000	\$ 174,030,000	\$ 173,341,000	\$ 150,804,000	\$ 136,018,000	\$ 161,492,000
\$ 3.35	\$ 3.00	\$ 2.75	\$ 2.74	\$ 2.39	\$ 2.15	\$ 2.55
\$ 87,064,000	\$ 86,020,000	\$ 86,020,000	\$ 74,532,000	\$ 71,620,000	\$ 54,580,000	\$ 52,016,000
5%			2 for 1 split		5%	5%
\$ 3.00	\$ 3.00	\$ 3.00	\$ 2.60	\$ 5.00	\$ 4.00	\$ 4.00
\$ 1.38	\$ 1.36	\$ 1.36	\$ 1.18	\$ 1.13	\$.86	\$.82
\$1,113,343,000	\$1,080,425,000	\$1,015,309,000	\$ 975,378,000	\$ 815,620,000	\$ 742,551,000	\$ 744,827,000
\$1,677,849,000	\$1,535,184,000	\$1,407,198,000	\$1,365,574,000	\$1,232,953,000	\$1,157,703,000	\$1,108,330,000
\$ 291,446,000	\$ 273,589,000	\$ 249,037,000	\$ 295,424,000	\$ 261,612,000	\$ 265,545,000	\$ 297,611,000
\$1,386,403,000	\$1,261,595,000	\$1,158,161,000	\$1,070,150,000	\$ 971,341,000	\$ 892,158,000	\$ 810,719,000
\$ 21.93	\$ 19.95	\$ 18.32	\$ 16.93	\$ 15.36	\$ 14.11	\$ 12.82
114,607	112,269	109,749	104,857	98,605	94,691	91,247
\$ 282,224,000	\$ 273,240,000	\$ 235,136,000	\$ 227,861,000	\$ 189,925,000	\$ 237,121,000	\$ 209,078,000
\$1,137,856,000	\$1,037,659,000	\$ 977,159,000	\$ 903,493,000	\$ 852,476,000	\$ 772,735,000	\$ 737,584,000
\$ 224,460,000	\$ 173,822,000	\$ 173,135,000	\$ 143,451,000	\$ 160,801,000	\$ 123,535,000	\$ 163,545,000
\$ 118,768,000	\$ 108,115,000	\$ 98,944,000	\$ 86,764,000	\$ 75,266,000	\$ 75,707,000	\$ 66,103,000
\$ 108,413,000	\$ 60,827,000	\$ 63,107,000	\$ 58,969,000	\$ 47,884,000	\$ 28,500,000	\$ 28,373,000
\$ 9,462,000	\$ 48,629,000	\$ 48,797,000	\$ 43,509,000	\$ 15,638,000	\$ 36,707,000	\$ 43,822,000
\$ 384,984,000	\$ 375,522,000	\$ 326,893,000	\$ 278,095,000	\$ 231,374,000	\$ 203,561,000	\$ 166,918,000
122,758,000	123,326,000	123,427,000	119,759,000	113,381,000	109,936,000	112,282,000
108,222,000	109,564,000	110,090,000	107,451,000	101,463,000	99,703,000	105,301,000
97,816,000	106,668,000	100,426,000	92,052,000	71,071,000	59,485,000	61,393,000
157,070,000	163,011,000	149,395,000	138,515,000	110,457,000	111,555,000	114,358,000
158,340,000	157,947,000	155,389,000	147,941,000	132,016,000	120,223,000	125,158,000
54,029,000	59,798,000	65,277,000	62,455,000	56,424,000	44,698,000	40,763,000
98,858,000	83,859,000	81,491,000	87,403,000	113,834,000	117,119,000	113,138,000
53,583,000	48,169,000	37,343,000	33,166,000	31,791,000	33,554,000	31,847,000
547	456	516	460	421	383	652
125	113	173	103	67	70	79
8,288	7,955	7,190	6,907	6,498	5,679	6,048
7,034,000	8,192,000	9,162,000	7,670,000	4,032,000	3,787,000	4,038,000
27,261,000	24,667,000	21,958,000	12,003,000	6,457,000	6,625,000	5,842,000
35,354	34,940	34,753	32,339	30,671	29,846	31,983
118,834,000	105,862,000	98,969,000	89,061,000	65,547,000	57,868,000	48,325,000
80,894,000	73,631,000	65,654,000	60,182,000	45,762,000	42,087,000	40,893,000
74,309,000	69,356,000	61,887,000	55,503,000	42,830,000	42,771,000	38,203,000
241,592,000	229,188,000	222,396,000	208,820,000	178,928,000	167,804,000	160,607,000
237,964,000	236,642,000	215,049,000	198,697,000	156,219,000	153,642,000	155,251,000
232,649,000	227,303,000	217,276,000	203,444,000	174,846,000	162,994,000	163,361,000

*Represents wholly owned subsidiaries and affiliates (owned less than 100%) in Eastern Hemisphere.

*Proportion of operations in Eastern Hemisphere represented by the Company's stock interest in affiliates and subsidiaries.

**STANDARD OIL COMPANY OF CALIFORNIA
AND SUBSIDIARY AND AFFILIATED COMPANIES**

FIGURES IN PARENTHESES ARE COMPANY VOTING INTEREST (%)

PRINCIPAL AREAS OF OPERATION

United States

STANDARD OIL COMPANY OF CALIFORNIA	Exploration, Producing Transporting, Refining and Marketing	<i>California, Washington, Oregon, Arizona, Nevada, Idaho, Utah, Hawaii and Alaska</i>
STANDARD OIL COMPANY OF CALIFORNIA, WESTERN OPERATIONS, INC. (100)	Management Company	
AMERICAN BITUMULS & ASPHALT COMPANY (100)	Refining and Marketing Asphalts and Asphalt Emulsions	<i>United States and Puerto Rico</i>
CALIFORNIA COMMERCIAL COMPANY, INC. (100)	Service Company	<i>New York and Washington, D.C.</i>
CALIFORNIA RESEARCH CORPORATION (100)	Research and Development	<i>California</i>
CALIFORNIA SHIPPING COMPANY (100)	Marine Transportation Management	<i>United States and Foreign</i>
CALIFORNIA SPRAY-CHEMICAL CORPORATION (100)	Agricultural Chemicals and Fertilizers	<i>United States and Foreign</i>
CALIFORNIA TANKER COMPANY (100)	Marine Transportation and Marketing	<i>United States and Foreign</i>
CHEVRON OIL COMPANY (100)	Geophysical Surveys	<i>United States and Canada</i>
LOMITA GASOLINE COMPANY (100)	Natural Gasoline	<i>California</i>
ORONITE CHEMICAL COMPANY (100)	Chemicals	<i>United States and Foreign</i>
PACIFIC OIL COMPANY (100)	Shale Lands	<i>Colorado</i>
PASOTEX PETROLEUM COMPANY (100)	Exploration, Producing and Marketing	<i>Oklahoma</i>
PASOTEX PIPE LINE COMPANY (100)	Oil Transportation	<i>Texas</i>
SALT LAKE PIPE LINE COMPANY (100)	Oil Transportation	<i>Utah, Colorado, Idaho, New Mexico, Oregon, Texas and Washington</i>
SALT LAKE REFINING COMPANY (100)	Refining	<i>Utah</i>
STANDARD OIL COMPANY OF TEXAS (100)	Exploration, Producing Refining and Marketing	<i>Texas and New Mexico</i>
STANDARD PIPE LINE COMPANY (100)	Oil Transportation	<i>California</i>
STANDARD STATIONS, INC. (100)	Service Station Operation	<i>Seven Western States</i>
THE CALIFORNIA COMPANY (100)	Exploration, Producing and Marketing	<i>Rocky Mountain, Central, Eastern and Southeastern States</i>
THE CALIFORNIA OIL COMPANY (100)	Refining and Marketing	<i>Eastern United States</i>
HUNTINGTON BEACH COMPANY (63.64)	Oil Royalties and Land	<i>California</i>
AMERICAN GILSONITE COMPANY (50)	Producing and Refining Gilsonite	<i>Utah and Colorado</i>

Canada

STANDARD OIL COMPANY OF BRITISH COLUMBIA LIMITED (100)	Refining and Marketing	Western Canada
THE CALIFORNIA STANDARD COMPANY (100)	Exploration and Producing	Western Canada

Central and South America

ASFALTOS CALIFORNIA S. A. (99.99)	Asphalt Products	Brazil
BOLIVIA CALIFORNIA PETROLEUM COMPANY (100)	Exploration	Bolivia
CALIFORNIA ECUADOR PETROLEUM COMPANY (100)	Exploration	Ecuador
CALIFORNIA EXPLORATION COMPANY (100)	Exploration Investigations	Foreign
COMPANIA COMERCIAL CALIFORNIA, S. A. (96)	Service and Marketing	Mexico
COMPANIA GUATEMALA CALIFORNIA DE PETROLEO (100)	Exploration	Guatemala
COMPANIA PETROLERA CALIFORNIA, LTD. (100)	Marketing	Guatemala, El Salvador and Canal Zone
RICHMOND EXPLORATION COMPANY (100)	Exploration, Producing and Refining	Venezuela
RICHMOND OIL COMPANY (100)	Exploration	Peru
RICHMOND PETROLEUM COMPANY OF COLOMBIA (100)	Exploration	Colombia

*Caribbean
Area*

BAHAMA CALIFORNIA OIL COMPANY (100)	Exploration	<i>Bahama Islands</i>
CUBA CALIFORNIA OIL COMPANY (100)	Exploration	<i>Cuba</i>
DOMINION OIL LIMITED (100)	Exploration	<i>Trinidad</i>

*Middle East
and Far East*

ARABIAN AMERICAN OIL COMPANY (30)	Exploration, Producing and Refining	<i>Saudi Arabia</i>
TRANS-ARABIAN PIPE LINE COMPANY (30)	Oil Transportation	<i>Middle East</i>
THE BAHRAIN PETROLEUM COMPANY LIMITED (50)	Exploration	<i>Bahrain Island (Persian Gulf)</i>
N. V. CALTEX PACIFIC PETROLEUM MAATSCHAPPIJ (50)	Producing and Refining	<i>Indonesia</i>
FAR PACIFIC INVESTMENTS, INC. (50)	Investments	<i>Netherlands New Guinea</i>
IRAN CALIFORNIA OIL COMPANY (100)	Owns 7% Interest in Iranian Oil Operations	<i>Iran</i>

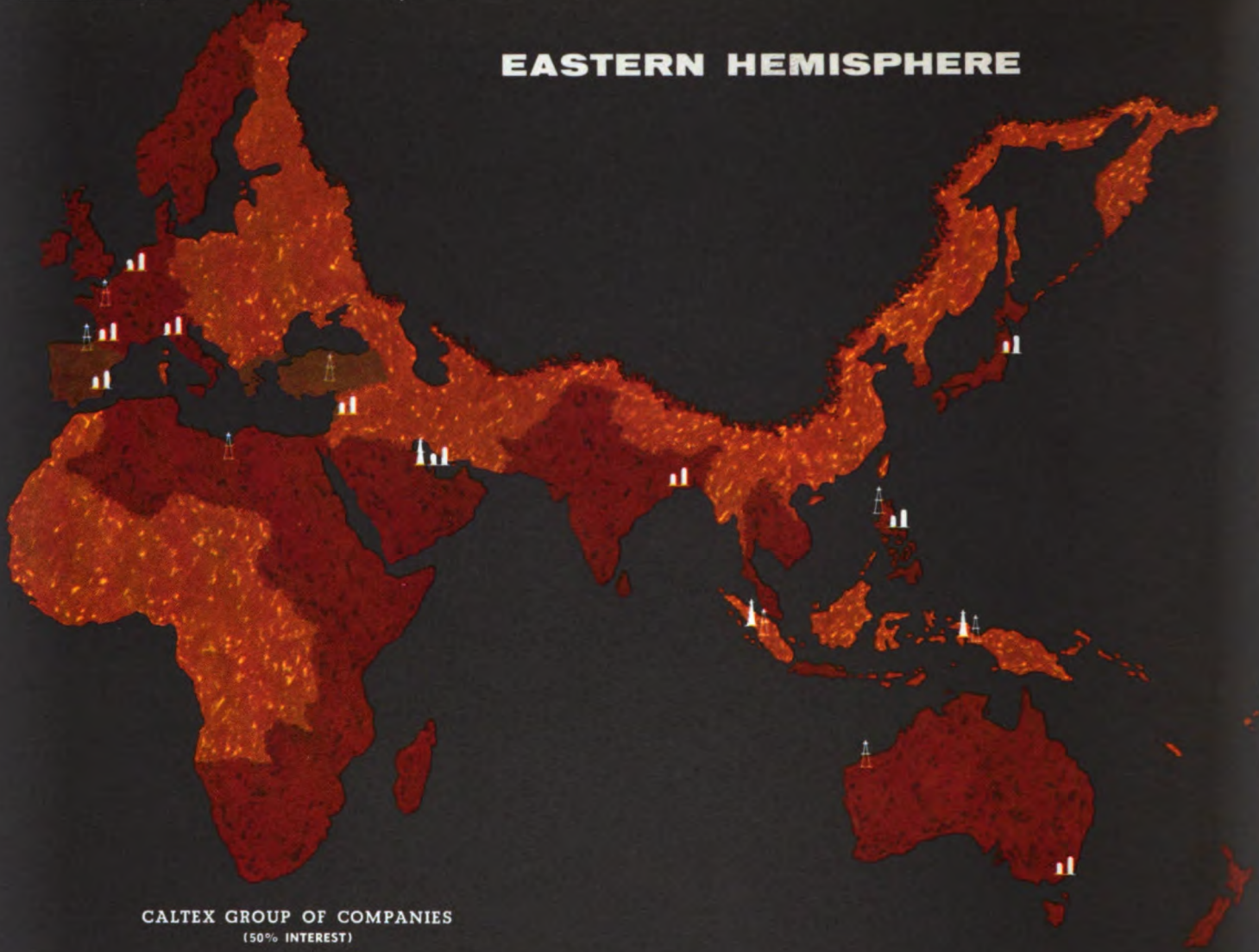
Other Foreign Areas

CALIFORNIA ASIATIC OIL COMPANY (100)	Exploration and Marketing	<i>Foreign</i>
CALIFORNIA CRUDE SALES COMPANY (100)	Crude Marketing	<i>Foreign</i>
CALIFORNIA TRANSPORT CORPORATION (100) .	Marine Transportation and Marketing	<i>Foreign</i>
CALIFORNIA SPRAY CHEMICAL COMPAGNIE FRANCAISE S. A. (98.11)		
	Agricultural Chemicals	<i>Eastern Hemisphere</i>
INTERNATIONAL BITUMEN EMULSIONS CORPORATION (100) . .	Asphalt Emulsions	<i>North and South America and Pacific area</i>
AMERICAN OVERSEAS PETROLEUM LIMITED (50)	Exploration	<i>Eastern Hemisphere</i>
MID-EAST CRUDE SALES COMPANY LIMITED (50)	Crude Marketing	<i>Foreign</i>
OVERSEAS TANKSHIP CORPORATION AND AFFILIATES (50)	Marine Transportation	<i>Foreign</i>
CALIFORNIA TEXAS CORPORATION AND AFFILIATES (50) .	Refining and Marketing	<i>Eastern Hemisphere except Russia, China, Central Europe and portions of West Africa.</i>

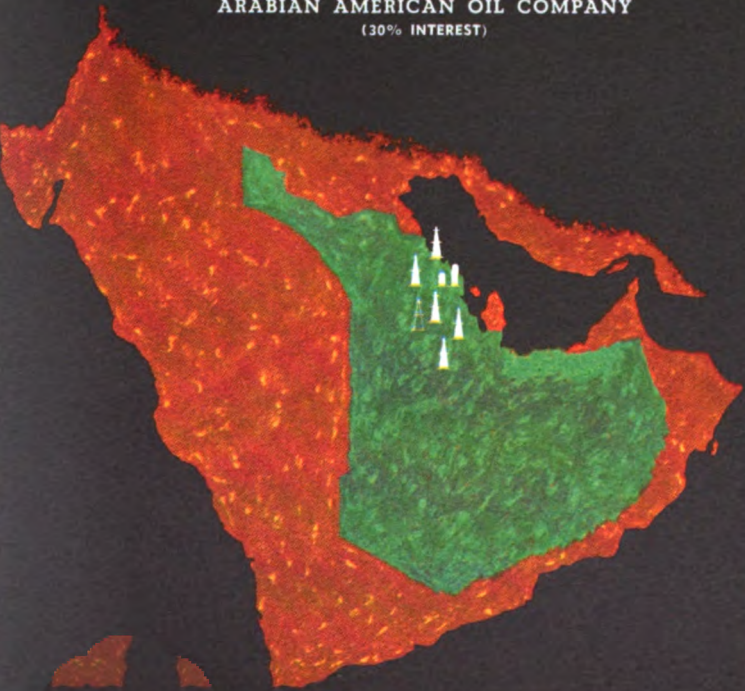
WESTERN HEMISPHERE



EASTERN HEMISPHERE



ARABIAN AMERICAN OIL COMPANY (30% INTEREST)



IRAN CALIFORNIA OIL COMPANY



ANNUAL MEETING OF STOCKHOLDERS . . . FIRST THURSDAY IN MAY, AT THE COMPANY'S
PRINCIPAL BUSINESS OFFICE, STANDARD OIL BUILDING, 225 BUSH STREET, SAN FRANCISCO.

TRANSFER AGENTS: Standard Oil Company of California, Standard Oil Building,
San Francisco 20, California; The Chase Manhattan Bank, 11 Broad Street, New
York 15, N. Y.; Montreal Trust Company, 466 Howe Street, Vancouver, Canada.

REGISTRARS: Crocker-Anglo National Bank, 1 Sansome Street, San Francisco
20, California; The First National City Bank of New York, 2 Wall Street, New York
15, N. Y.; National Trust Company, Limited, Burrard at Pender, Vancouver, Canada.

